



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://cao.co.la.ca.us>

DAVID E. JANSSEN
Chief Administrative Officer

August 19, 2003

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**CITY OF HAWTHORNE REDEVELOPMENT PROJECT NO. 2
(SECOND DISTRICT) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve Amendment No. 1 (Amendment) to Agreement for Reimbursement of Tax Increment Funds (Agreement) of June 9, 1986 between the Community Redevelopment Agency of the City of Hawthorne, the City of Hawthorne, and the County of Los Angeles for the Hawthorne Redevelopment Project No. 2 in order to (1) add certain portions of the Los Angeles Air Force Base (LAAFB) to the Project Area; and (2) provide the County's share of statutory pass through tax increment as a financial contribution toward a multi-agency, multi-faceted project to modernize and upgrade the LAAFB in an attempt to avoid it being included in the next round, or subsequent rounds, of military base closures.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The LAAFB is a collection of aging, obsolete buildings scattered among various sites in the cities of El Segundo and Hawthorne. Current conditions include: serious seismic deficiencies in the structural integrity of the buildings (a majority of which are over 50-years old), security concerns regarding the proximity of buildings to public areas, the inefficient use of buildings (offices in former airplane hangars), and the presence of hazardous materials. These deficiencies were described in a July 22, 2003 memorandum to your Board. Studies have shown that the cost to rehabilitate the existing buildings exceeds the cost to construct new facilities.

If the deficiencies are not corrected, the LAAFB is a likely candidate for inclusion in the next round of Federal military base closures by the Base Realignment and Closure Commission scheduled for 2005. Closure of LAAFB would significantly impact the County's regional economy. In order to modernize the facilities at minimal cost to the Air Force, LAAFB competitively selected a developer that will construct a new, consolidated facility for the LAAFB on one of the sites (Area B, Attachment I). In exchange, the developer will be given the rights to three sites (Area A, Area C, and a site in Sun Valley) that will become surplus through the LAAFB modernization. Residential developments will

Board of Supervisors
GLORIA MOLINA
First District

YVONNE BRATHWAITE BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

Honorable Board of Supervisors
August 19, 2003
Page 2

be constructed on Areas A and C. Area A has recently been detached from the City of El Segundo and annexed to the City of Hawthorne. Area B is and will remain within the City of El Segundo. Area C is within the City of Hawthorne.

Area A, planned for new residential development, is a 42-acre triangular parcel bounded by El Segundo Boulevard to the north, Aviation Boulevard to the west, and the Southern Pacific Railroad tracks to the south. Area B, which will be retained by the Air Force and include the modernized facilities, is a 54-acre site at the northwest corner of Aviation Boulevard and El Segundo Boulevard. Area C, also planned for new residential development, is a 13-acre parcel on the east side of Aviation Boulevard between Rosecrans and Marine Avenues. And the Sun Valley site is a 3.7-acre site located 37 miles north of the LAAFB.

Under the proposed redevelopment amendment, both Area A and Area B will be added to Hawthorne's Redevelopment Project No. 2. As required by law, the City of El Segundo authorized inclusion of Area B because it is within its corporate limits. County staff has concluded that Areas A and B are consistent with the legal requirements concerning evidence of physical and economic blight, and recommend approval of Plan amendment. In addition, because a financial gap exists between the cost to construct the new LAAFB facilities and the resale value of the residential developments, the County and the City of Hawthorne have been requested to contribute to the LAAFB project the shares of tax increment that would normally "pass through" to them to assist in closing the gap. The contributory increment is over and above the tax increment that will legally transfer to the Hawthorne Redevelopment Agency as a result of adding the parcels to the Redevelopment Project No. 2.

It is important to note that the contribution of County pass through tax increment will not be taken from current property tax revenue; rather it will be from future tax increment generated by the new construction proposed for the parcels transferred to the developer by the Air Force. These parcels currently generate no property taxes because they are owned by the Federal government and generate only minimal possessory interest tax revenue.

Implementation of Strategic Plan Goals

These recommendations are consistent with the following Strategic Plan Goal:

Goal 4: Fiscal Responsibility: Strengthen the County's fiscal capacity.

FISCAL IMPACT/FINANCING

The total financial gap of the project equals \$33.6 million; which would require approximately \$143 million of tax increment over 30 years to service the bonds associated with funding the gap. The County's 30-year contribution to assist in funding the gap will be limited to its statutory share of tax increment not to exceed \$20 million. The gap consists of two primary components: 1) unfunded developer cost, and 2) low and moderate income housing expense.

Unfunded Developer Cost: The estimated cost to the developer of constructing 560,000 square feet of new administrative and special use facilities for the LAAFB is \$104 million. The residential resale value of the property being granted to the developer is approximately \$80 million; therefore there is a gap of approximately \$24 million. Including fees and other costs, the total financing gap is \$27.3 million. This gap will be financed through the issuance of redevelopment tax allocation bonds. Typically, tax allocation bonds are repaid solely from the Agency's share of tax increment. However, the estimated flow of tax increment to the Hawthorne Redevelopment Agency will be insufficient to entirely cover the repayment of \$27.3 million bonds over the 30 year period.

In order to fully fund the gap, it is proposed that the County's statutory pass through share of tax increment from the amended redevelopment project be contributed to the gap financing. Assuming annual growth of 2 percent, the projected 30-year contribution by the County towards the gap in repayment of the bonds is expected to be approximately \$11.6 million, or 13.9 percent of the stream of income required to capitalize the gap financing. The Agency's 30-year contribution is estimated to be \$69.3 million, or 82.9 percent; and the City of Hawthorne's 30-year contribution is estimated to be \$2.7 million, or 3.2 percent of the income stream for gap financing.

Low and Moderate Income Housing Expense: As a result of the development of 1,030 market rate residential units, according to Community Redevelopment Law, the Agency will incur an inclusionary housing obligation of 179 low and moderate income units. The obligation for this project is much higher than a typical redevelopment project because the new development is exclusively residential. The estimated net financial gap associated with constructing the units, excluding land acquisition costs, totals \$12.3 million. According to estimates, the 20 percent low and moderate income housing set aside generated by the project will provide coverage for housing bonds of approximately \$6 million, generating an additional \$6.3 million gap due to affordable housing requirements.

Honorable Board of Supervisors
August 19, 2003
Page 4

Tax increment to fund the housing gap will come from actual assessed value growth in excess of 2 percent, and be contributed at percentages consistent with those noted above. Accordingly, it is proposed that County increment in excess of the amount needed to assist in meeting the unfunded developer gap be committed to assist in closing the low and moderate income housing gap, not to exceed \$20 million.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

As reported in the July 22, 2003 memorandum to your Board, this office conducted an examination of the proposed LAAFB property additions to the redevelopment project area and reviewed the Agency's preliminary report. Based on this summary review, site visits, and meetings with City and Air Force staff, this office believes that the addition of Areas A and B into the City of Hawthorne's existing Redevelopment Project Area No. 2 is consistent with legal requirements because there is evidence of physical and economic blight on the property. Also, on July 1, 2003 your Board approved a reorganization detaching Area A from the City of El Segundo and annexing it to the City of Hawthorne. The reorganization of Area A between the cities of El Segundo and Hawthorne was necessary because the proposed project would create a residential island in the otherwise all-commercial east side of the City of El Segundo. Both city councils have approved the reorganization, and the City of El Segundo has authorized the incorporation of Area B into the Hawthorne redevelopment project.

According to the 1986 Tax Allocation Agreement, "This Agreement may not be amended, modified or altered without the express written consent of the legislative bodies of the parties hereto." The proposed Amendment No. 1 is attached (Attachment II), and includes the following:

- According to Health and Safety Code Section 33607.5, the County is entitled to receive pass through payments for areas added to redevelopment projects according to a defined schedule. This amendment provides that the County will contribute its statutory pass through payments to the City of Hawthorne Redevelopment Agency to assist in closing the financial gap of the LAAFB project.
- The County's 30-year contribution shall not exceed \$20 million. This estimate is based on a conservative 30-year annual assessed value growth projection of 3.5 percent. Should actual annual growth exceed 3.5 percent, debt repayment would be accelerated, and the County would begin to receive its statutory share of tax increment.

- Prior to the issuance of tax increment bonds or other financial commitments, should the project to modernize the Base be terminated, the County will not be required to contribute future tax increment to the Hawthorne Redevelopment Agency.
- A portion of the parcel containing Area C is to be retained by the Air Force. This area will not be included in the calculation of tax increment for County contribution.
- The Auditor-Controller will calculate the appropriate shares of tax increment annually in August.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The LAAFB is a major contributor to the economy of Los Angeles County. In order to determine its direct impact on governmental entities' annual tax receipts, an economic impact analysis was completed by the Los Angeles County Economic Development Corporation (LAEDC), and is attached (Attachment III). According to LAEDC's analysis:

- The LAAFB and Aerospace Corporation (whose sole client is the LAAFB) directly employ over 6,500 personnel, and are indirectly responsible for an additional 4,600 full-time equivalent positions in indirect jobs (suppliers to the Base, delivery services, cleaning contractors, etc).
- The LAAFB currently distributes \$8.5 billion annually in contracts. It is estimated that this amount will increase to \$10 billion in the coming years. Approximately 70 percent of these contracts are awarded to defense contractors in Los Angeles County. LAEDC estimates these contracts fund approximately 54,000 full-time positions.
- The annual tax receipts attributable to the LAAFB as reflected in Attachment III include:

County sales and possessory interest tax (possessory interest tax: \$494,000)	\$10,600,000
Local cities sales and possessory interest tax	\$9,050,000
State sales and income taxes	<u>\$227,600,000</u>
Total Annual Tax Receipts	\$247,250,000

Honorable Board of Supervisors
August 19, 2003
Page 6

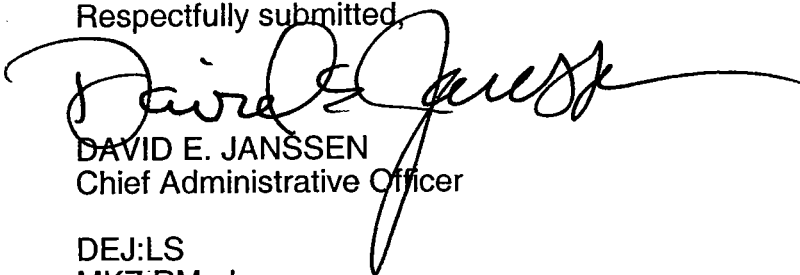
Recognizing the significant impact the LAAFB has on the State, the legislature is currently considering special legislation to assist the LAAFB, the developer, and local agencies close the deal as quickly as possible. According to AB 658, which has passed the Assembly and a Senate Committee, the statute of limitations for filing a validation lawsuit challenging the project under the Cortese-Knox-Hertzberg Act and Community Redevelopment Law would be reduced from 60 to 30 days.

CONCLUSION

The potential closure and relocation of the LAAFB would have a significant negative impact on the economy of Los Angeles County. This office believes the project is consistent with Community Redevelopment Law, and the subsequent contribution of the County's share of tax increment to the project will assist in closing the financial gap, and allow the developer to construct a state-of-the-art facility for the LAAFB. As stated earlier, the contribution of County tax increment will not come from current property taxes as future tax increment will be generated by construction on parcels currently owned by the Air Force that generate no property taxes.

At such time as the recommendation is approved by your Board, please return one approved copy of the letter and one signed copy of the Amendment each to: the Chief Administrative Office, Office of Unincorporated Area Services and Special Projects; and the Auditor-Controller, Tax Division.

Respectfully submitted,



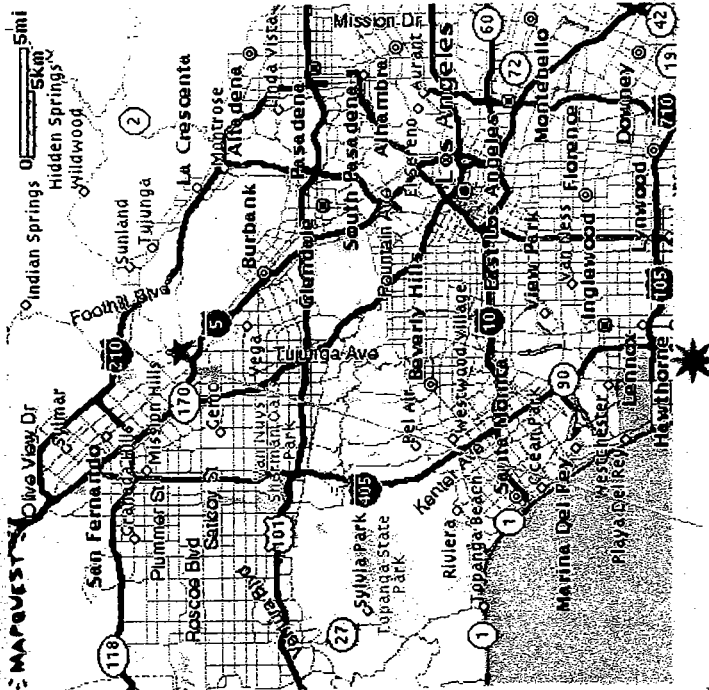
DAVID E. JANSSEN
Chief Administrative Officer

DEJ:LS
MKZ:RM:nl
Attachments

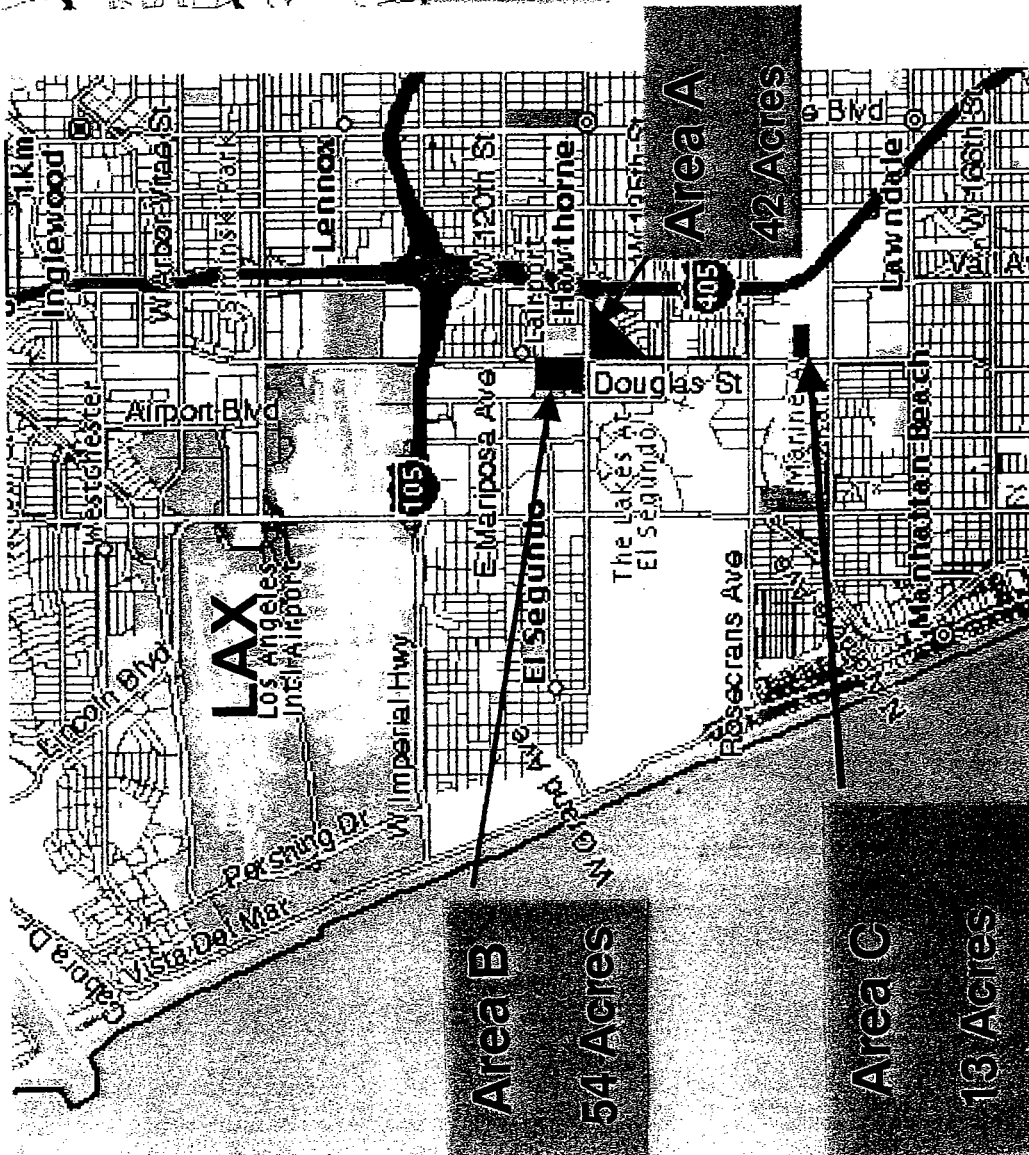
- c: J. Tyler McCauley, Auditor-Controller
Lloyd W. Pellman, County Counsel
P. Michael Freeman, Fire Chief
Michael L. Goodson, Director, Hawthorne Redevelopment Agency
Larry Guidi, Mayor, City of Hawthorne
Lee Harrington, President and CEO, Los Angeles County Economic Development Corp.
Jeffrey A. Dritley, Managing Partner, Kearny Real Estate Company



LAAFB: PROPERTIES (EXCL. FT. MAC. HOUSING)



Sun Valley
37.5 miles north of LA AFB
(3.7 acres)



DRAFT

**FIRST AMENDMENT TO
AGREEMENT FOR REIMBURSEMENT OF
TAX INCREMENT FUNDS
(City of Hawthorne Redevelopment Project No. 2)**

THIS FIRST AMENDMENT TO AGREEMENT FOR REIMBURSEMENT OF TAX INCREMENT FUNDS (hereinafter referred to as the "Amendment") is entered into as of _____, 200__, by and between the City of Hawthorne ("City"), the Community Redevelopment Agency of the City of Hawthorne (the "Agency"), the County of Los Angeles (the "County") and the Consolidated Fire Protection District (the "Fire Protection District").

RECITALS

WHEREAS, the Hawthorne Redevelopment Project No. 2 (the "Project") was adopted by the City Council of the City of Hawthorne on November 6, 1984, by Ordinance No. 1330, as amended; and

WHEREAS, the Agency, the County, the City and the Fire Protection District have heretofore entered into an Agreement for Reimbursement of Tax Increment Funds, dated as of _____, 1986 (hereinafter the "Agreement") allocating the tax increment resulting from the adoption of the Project; and

WHEREAS, the Agency now desires to amend the Redevelopment Plan for the Project in order to add certain territory (the "Added Area") to the Project (as shown on Exhibit A and as more particularly described in Exhibit B, which are incorporated herein by this reference) in order to assist in retaining the Los Angeles Air Force Base ("LAAFB") in Los Angeles County; and

WHEREAS, for the purposes of this amendment the LAAFB consists of three parcels of real property: (1) Area A, which is located in the City of El Segundo and on which the United States Air Force ("USAF") currently operates an office campus in buildings that are structurally unsound and physically obsolete; (2) Area B, also located in the City of El Segundo and which is the proposed location of a new office campus for the USAF to be developed by SAMS Venture, LLC (the "Developer") to replace the obsolete facility on Area A; and (3) Area C, located in the City of Hawthorne and within the existing boundaries of the Project, a portion of which, the "Area C-Subset" comprised of approximately 13.93 acres located in the City, legally described in Exhibit "C" to this Agreement and diagramed in Exhibit "D" to this Agreement, is proposed to

be developed by the Developer in connection with the relocation of the LAAFB from Area A to Area B; and

WHEREAS, although Area A and Area B will be included within Hawthorne Redevelopment Project Area No. 2, only Area A is proposed to be annexed to the City, and Area B will continue to be within the jurisdiction and boundaries of the City of El Segundo; and

WHEREAS, the City is only committing net tax increment from Area A and Area C (an existing part of the Hawthorne Redevelopment Project Area No. 2), to fund the projects, programs and activities proposed in the Amendment; and

WHEREAS, the parties agree that no tax increment within the meaning of Health and Safety Code Section 33670 will be generated from Area B, and the Amendment provides that in the event such tax increment would be generated, Area B will be severed and removed from Hawthorne Redevelopment Project Area No. 2;

WHEREAS, pursuant to the proposed amendment to the Redevelopment Plan the Agency will have the authority to receive tax increment revenue from Area A, but not Area B; and

WHEREAS, the Agency and the Developer propose to enter into an owner participation agreement (the "OPA") the purpose of which is to provide for the redevelopment of Area A and C with residential uses in order to facilitate the relocation of the LAAFB office campus from Area A to Area B which is to remain within the jurisdiction and boundaries of the City of El Segundo; and

WHEREAS, Health & Safety Code Section 33607.5 provides that certain payments shall be made to the County and the Fire Protection District from the tax increment generated by the addition of Area A ("Payments"); and

WHEREAS, the County desires to support and cooperate with the Agency to retain the LAAFB in Los Angeles County in that the LAAFB is one of the key economic engines in the region, providing approximately 65,000 jobs directly and indirectly through annual government contracts to local aerospace companies, currently valued at \$8,500,000,000, and expected to increase to \$10,000,000,000. The LAAFB presently employs more than 4,000 military and civilian personnel and their jobs are important to the economic vitality of Southern California and the local aerospace defense industry; and

WHEREAS, the Agency and the County now desire to make certain modifications to the Agreement in light of changed conditions and circumstances and the further planning and decisions of the parties.

NOW THEREFORE, the parties amend the Agreement as follows:

AGREEMENT

1. Payments Respecting the Added Area.

The Agency shall annually pay to the County, the Flood Control District and the Fire Protection District the amounts required by Health and Safety Code Section 33607.5 with respect to Area A. The County, the Flood Control District, and the Fire Protection District agree that since Agency will not receive tax increments from Area B, and since the Amendment requires Area B to be severed and removed from Hawthorne Redevelopment Project Area No. 2 in the event Agency were to become eligible to receive tax increment from Area B under Health and Safety Code Section 33670(b), then the payments to be made by Agency under this Section of the Agreement shall not included, or be based on, any tax increment generated from Area B.

2. Modification of Amount of Reimbursement.

Notwithstanding the provisions of paragraphs 2 or 13 of the Agreement or any other provision of the Agreement, the amount that the Agency is required to reimburse the County, the Flood Control District and the Fire Protection District annually pursuant to paragraphs 2(a) and 13 of the Agreement shall be reduced by: (a) the full amount the Agency is required to pay the County, the Flood Control District and the Fire Protection District pursuant to Health and Safety Code Section 33607.5 with respect to Area A, and (b) the full amount of any property taxes levied on the Area C Subset which, but for the existence of the Redevelopment Plan for the Project, would be allocated to the County, the Flood Control District or the Fire Protection District, provided that the combined reduction of reimbursement shall in no event exceed \$20,000,000. The County Auditor-Controller shall annually compute and allocate the additional tax increment revenue, if any, payable to the Agency under this paragraph with the August Property Tax Revenue Distribution. The County Auditor-Controller shall simultaneously provide the Agency with a copy of the computation which shall show the amount of tax increment allocable to Area A and the Area C-Subset.

3. Agency Assisted Development.

Areas A and B and the Area C-Subset shall not count toward the 150 acre limitation on "Agency Assisted Development" described in paragraph 2(a)(1) of the Agreement.

4. Administration.

a. A new subparagraph (f) is hereby added to Section 7 of the Agreement to read as follows:

"(f) The amount of property taxes levied on the Area C-Subset which, but for the Redevelopment Plan for the Project, would be allocated to the County, the Flood Control District or the Fire Protection District."

b. A new subparagraph (g) is hereby added to Section 7 of the Agreement to read as follows:

"(g) The amount of the payments required to be made by the Agency pursuant to Health and Safety Code Section 33607.5 allocable to the County, the Flood Control District and the Fire Protection District."

c. A new subparagraph (h) is hereby added to Section 7 of the Agreement to read as follows:

"(h) The cumulative amount of the reduction of the Agency's required reimbursement payments to the County, the Flood Control District and the Fire Protection District as provided by the First Amendment to this Agreement."

5. Force and Effect.

Except as modified and amended by this Amendment, all other provisions of the Agreement shall remain unchanged and in full force and effect. In the event the Developer--USAF Agreement now contemplated to facilitate the relocation of the LAAFB office campus from Area A to Area B for the USAF and provide for the redevelopment of Areas A and C with residential uses, is not fully executed on or before April 15, 2004, the provisions of this Amendment for reduction of reimbursement shall be void.

IN WITNESS WHEREOF, the parties hereto have entered into this First Amendment to Agreement for Reimbursement of Tax Increment Funds as of the date first above written.

_____, 2003

COUNTY

COUNTY OF LOS ANGELES

By: _____

Chair, Board of Supervisors

ATTEST:

VIOLET VARONA-LUKENS
Executive Officer-Clerk
of the Board of Supervisors

By _____

APPROVED AS TO FORM:

Lloyd W. Pellman
County Counsel

By _____
Thomas M. Tyrrell
Principal Deputy County Counsel

_____, 2003

FIRE PROTECTION DISTRICT

**CONSOLIDATED FIRE PROTECTION
DISTRICT**

By: _____

Chair, Board of Supervisors

ATTEST:

VIOLET VARONA-LUKENS
Executive Officer-Clerk
of the Board of Supervisors

_____, 2003

AGENCY

COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF
HAWTHORNE

By: _____

Its: _____

_____, 2003

CITY

CITY OF HAWTHORNE

By: _____

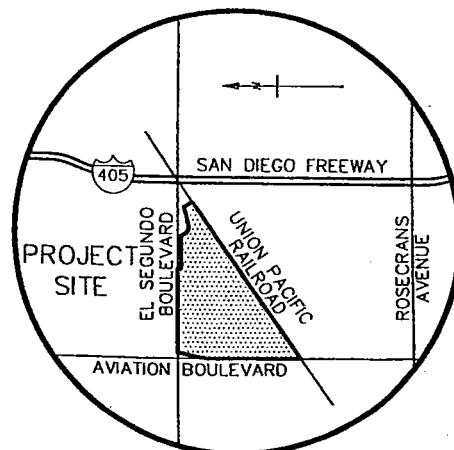
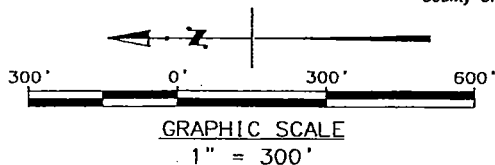
Its: _____

EXHIBIT A

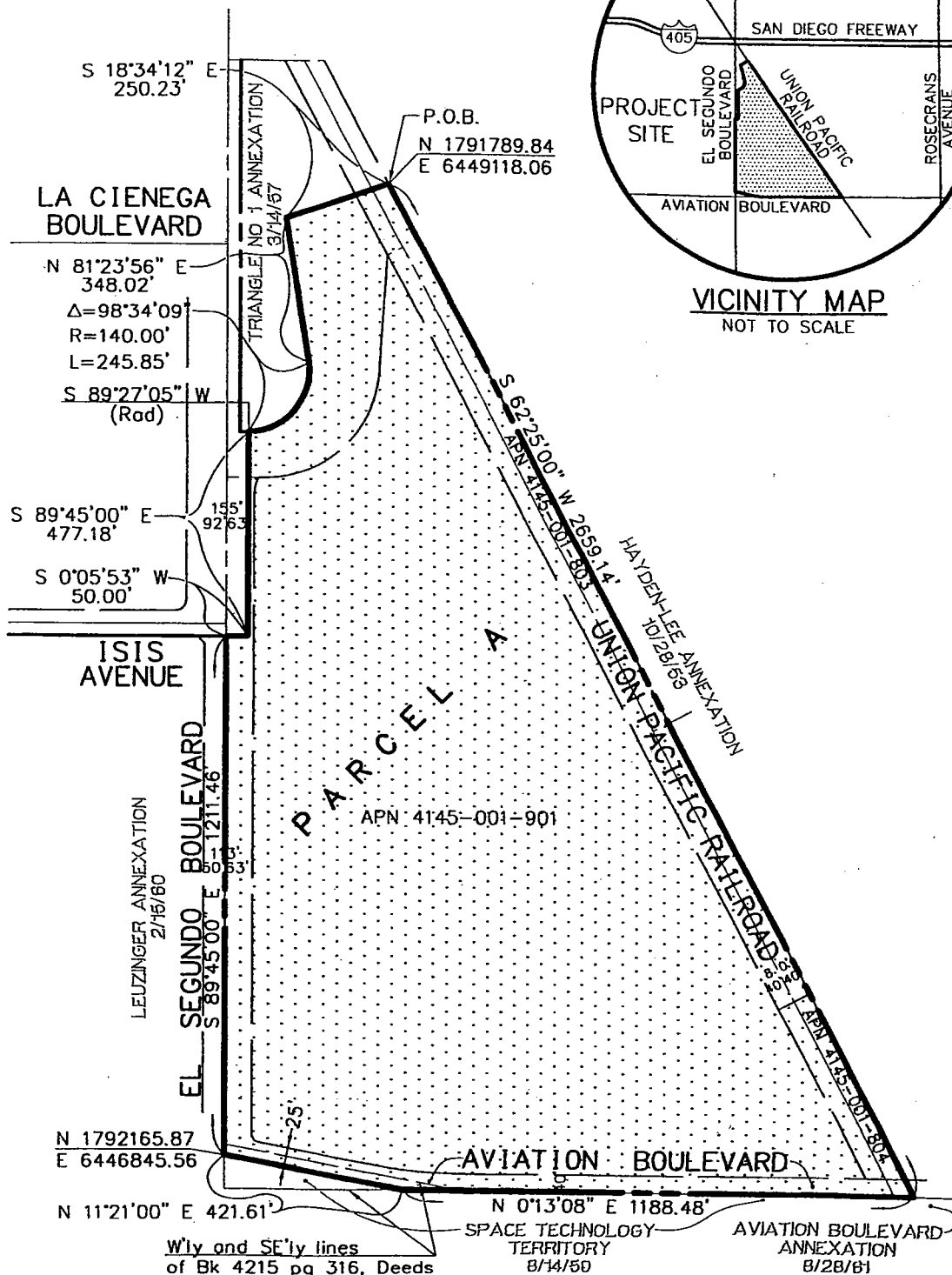
MAP OF ADDED AREA

Amending Boundary of Hawthorne Redevelopment Project No 2

Containing 50.10 Acres
County of Los Angeles, State of California



VICINITY MAP
NOT TO SCALE



Annexation Area

DATE: 04/15/03 REVISED ON: 05/07/03
JOB No: 1KEA020100 Task 116

PSOMAS

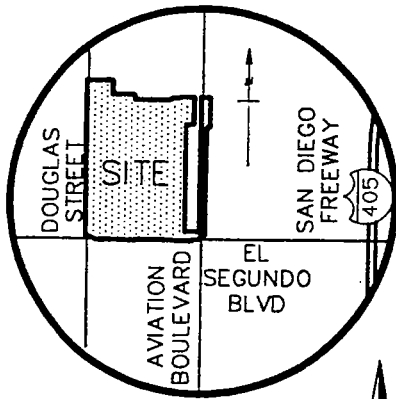
1144 West Olympic Boulevard
Suite 200
West Los Angeles, CA 90024
DIAL 854-3700 FAX 854-3771/9340

Scale: 1" = 300'

Sheet 1 of 1 Sheet

Amending Boundary of Hawthorne Redevelopment Project No 2 Additional

Containing 61.09 Acres
County of Los Angeles, State of California



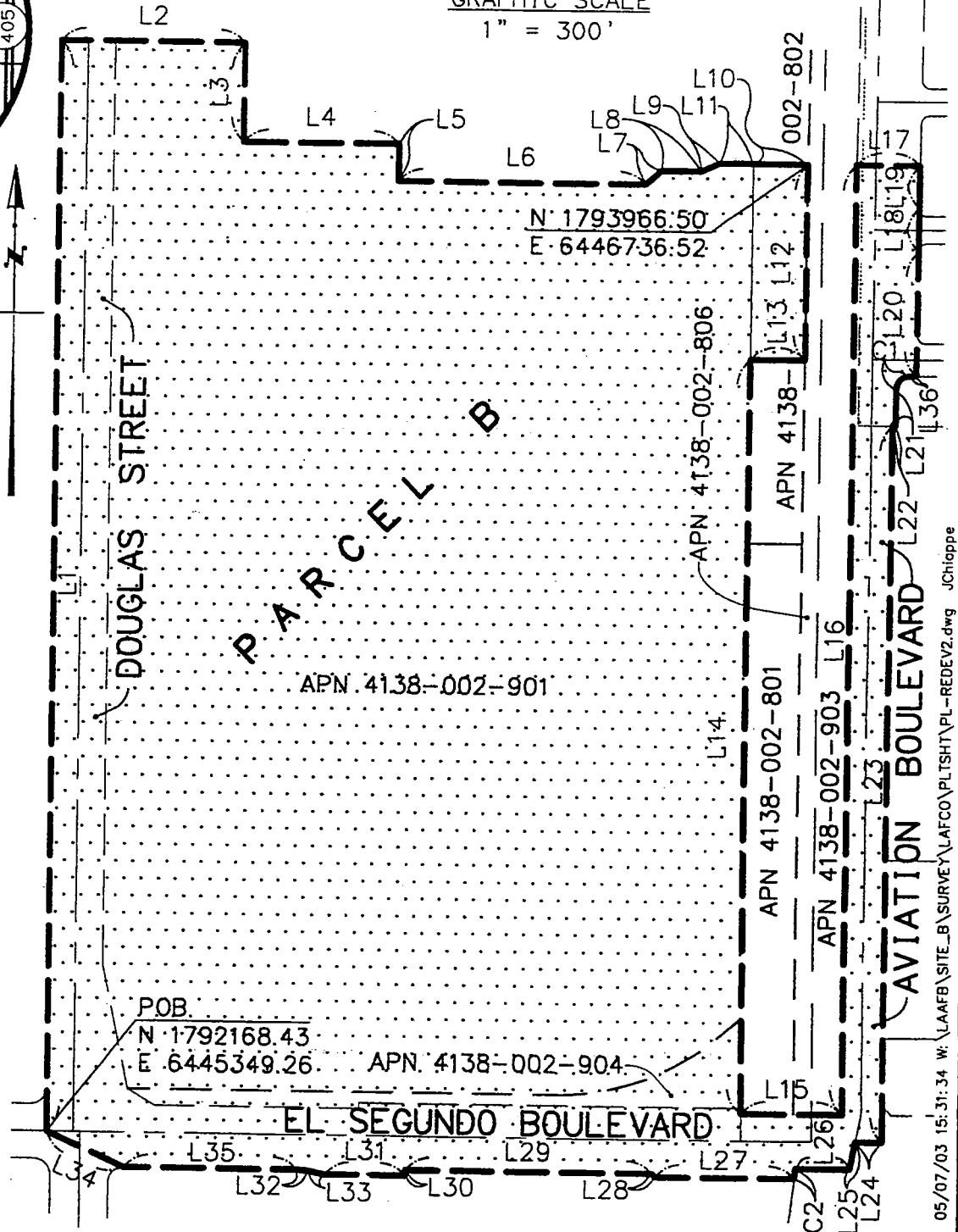
VICINITY MAP
NOT TO SCALE



GRAPHIC SCALE
1" = 300'

LINE TABLE		
LINE	LENGTH	BEARING
L1	2008.61'	N00°00'53"E
L2	339.18'	S89°59'07"E
L3	182.00'	S00°00'53"W
L4	289.64'	S89°59'07"E
L5	67.93'	S00°00'53"W
L6	458.82'	S89°58'15"E
L7	38.19'	N49°06'45"E
L8	73.81'	S89°58'15"E
L9	38.39'	N67°20'15"E
L10	101.20'	N89°59'22"E
L11	59.86'	N89°59'22"E
L12	360.00'	N00°10'18"E
L13	100.21'	N89°59'22"E
L14	1390.25'	N00°00'53"E
L15	186.40'	S89°54'07"E
L16	1750.61'	N00°10'18"E
L17	118.00'	N89°59'22"E
L18	80.00'	S00°10'18"W
L19	78.14'	N00°10'18"E
L20	228.85'	N00°10'18"E
L21	67.03'	N00°10'18"E
L22	6.00'	N89°54'04"W
L23	1321.85'	N00°10'18"E
L24	50.57'	N89°54'07"W
L25	50.97'	S11°18'32"W
L26	99.45'	S89°54'07"E
L27	253.27'	S89°54'07"E
L28	8.99'	N48°02'05"W
L29	457.16'	S89°54'07"E
L30	10.00'	N00°05'53"E
L31	150.66'	S89°54'07"E
L32	18.69'	S85°05'08"E
L33	31.66'	S78°10'58"E
L34	158.17'	S66°02'02"E
L35	322.97'	S89°54'07"E
L36	12.03'	N89°54'04"W

CURVE TABLE			
CURVE	LENGTH	RADIUS	DELTA
C1	39.24'	25.00'	89°55'38"
C2	18.10'	2834.93'	00°21'57"



Annexation Area

DATE: 05/06/03 REVISED ON: 05/07/03
JOB No: 1KEA020100 Task 116

PSOMAS

11444 West Olympic Boulevard
Suite 750
West Los Angeles, CA 90064
(310) 954-3700 (310) 954-3777 (Fax)

Plotted: 05/07/03 15:31:34 W: \LA\FB\SITE_B\SURVEY\LAFCO\PLT\SHYPL-REDEV2.dwg JChlappe

EXHIBIT B

LEGAL DESCRIPTION OF ADDED AREA

AMENDING BOUNDARY OF HAWTHORNE REDEVELOPMENT

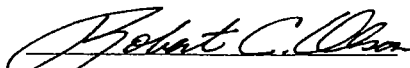
PROJECT No. 2

PROPOSED NEW AREA

PARCEL A

Beginning at the most northerly corner of Lot 34 of Tract No. 16663, in the City of Hawthorne, County of Los Angeles, as shown on map recorded in Book 511, Pages 15 through 19, inclusive, of Maps, records of said County, said corner being on the southeasterly line of the Pacific Electric Railway Company's 80.00 foot right of way, said corner being a common point in the boundaries of the City of El Segundo and the City of Hawthorne, as both boundaries existed on April 15, 2003 and having established grid coordinates of North 1,791,789.84 feet, Easting 6,449,118.06 feet, Zone 5 of the California State Coordinate System (NAD83); thence along said southeasterly line, South 62°25'00" West 2659.14 feet to the westerly line of the northwest quarter of Section 17, Township 3 South, Range 14 West of the Rancho Sausal Redondo as per map filed in Case No. 11629 of the Superior Court of the State of California; thence along said westerly line, North 00°13'08" East 1188.48 feet to a line parallel with and 25.00 feet northwesterly of the southeasterly line of the land described in Book 4215, Page 316 of said Deeds; thence along said parallel line North 11°21'00" East 421.61 feet to the northerly line of said Section 17; thence along said northerly line, South 89°45'00" East 1211.46 feet to the southerly prolongation of the westerly line of Isis Avenue, 60 feet wide, as shown on Tract No 14749, in the City of El Segundo, as per map recorded in Book 368, pages 18 through 22, inclusive of said Maps; thence along said southerly prolongation, South 00°11'19" West 50.00 feet to a line parallel with and 50.00 feet southerly of said northerly line of Section 17; thence along said parallel line, South 89°45'00" East 477.18 feet to the westerly line of the "Triangle No. 1 Annexation" to the City of Hawthorne as same existed on March 14, 1957, said westerly line being the beginning of a non-tangent curve, concave northeasterly, having a radius of 140.00 feet and to which beginning a radial line bears South 89°27'05" West; thence along said most westerly line of the "Triangle No. 1 Annexation" to the City of Hawthorne, the following three courses: Southeasterly 245.85 feet along said curve, through a central angle of 98°34'09", North 81°23'56" East 348.02 feet, South 18°34'12" East 250.23 feet to the point of beginning.

Containing an area of 50.10 acres, more or less.



Robert C. Olson, PLS 5490

Psomas

05.07.2003

Date

Page 1 of 1



GEOGRAPHIC DESCRIPTION
AMENDING BOUNDARY OF HAWTHORNE REDEVELOPMENT
PROJECT No. 2
ADDITIONAL PROPOSED NEW AREA
PARCEL B

Beginning at the intersection of the southerly line of Section 7, Township 3 South, Range 14 West of the Rancho Sausal Redondo as per map filed in Case No. 11629 of the Superior Court of the State of California and a line parallel with and 1415.20 feet westerly of the easterly line of said Section 7 and having established grid coordinates of North 1,792,168.43 feet, Easting 6,445,349.26 feet, Zone 5 of the California State Coordinate System (NAD83); thence northerly along said parallel line, North 00°00'53" East 2008.61 feet; thence South 89°59'07" East 339.18 feet; thence South 00°00'53" West, 182.00 feet; thence South 89°59'07" East 289.64 feet; thence South 00°00'53" West 67.93 feet; thence South 89°58'15" East 458.82 feet; thence North 49°06'45" East 38.19 feet; thence South 89°58'15" East 73.81 feet; thence North 67°20'15" East 38.39 feet; thence North 89°59'22" East 59.86 feet; thence North 89°59'22" East 101.20 feet; thence South 00°10'18" West 360.00 feet; thence South 89°59'22" West 100.21 feet; thence South 00°00'53" West 1390.25 feet; thence South 89°54'07" East 186.40 feet; thence North 00°10'18" East 1750.61 feet; thence North 89°59'22" East 118.00 feet; thence South 00°10'18" West 78.14 feet; thence South 00°10'18" West 80.00 feet; thence South 00°10'18" West 228.85 feet; thence North 89°54'04" West 12.03 feet to the beginning of a non-tangent curve, concave southeasterly, having a radius of 25.00 feet and to which

beginning a radial line bears North 00°05'56" East; thence southwesterly 39.24 feet along said curve through a central angle of 89°55'38"; South 00°10'18" West 67.03 feet; thence North 89°54'04" West 6.00 feet; thence South 00°10'18" West 1321.85 feet; thence North 89°54'07" West 50.57 feet; thence South 11°18'32" West 50.97 feet; thence North 89°54'07" West 99.45 feet to the beginning of a non-tangent curve concave to the west, having a radius of 2834.93 feet and to which beginning a radial line bears South 83°59'40" East; thence southerly 18.10 feet along said curve through a central angle of 00°21'57"; thence North 89°54'07" West 253.27 feet; thence North 48°02'05" West 8.99 feet; thence North 89°54'07" West 457.16 feet; thence South 00°05'53" West 10.00 feet; thence North 89°54'07" West 150.66 feet; thence North 78°10'58" West 31.66 feet; thence North 85°05'08" West 18.69 feet; thence North 89°54'07" West 322.97 feet; thence North 66°02'02" West 158.17 feet to the Point of Beginning

Containing an area of 61.09 acres, more or less.



Robert C. Olson, PLS 5490

Psomas

05.07.2003

Date



EXHIBIT C

LEGAL DESCRIPTION OF AREA C SUBSET (WILLOW GLEN SPECIFIC PLAN)

ALL THAT CERTAIN PARCEL OF LAND IN THE CITY OF HAWTHORNE, LOS ANGELES COUNTY, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

(1) LOT 5 IN THE NORTHWEST QUARTER (NW ¼) OF SECTION 20, TOWNSHIP 3 SOUTH, RANGE 14 WEST, OF THE SAN BERNARDINO MERIDIAN, AS SHOWN ON THE PARTITION MAP SHOWING PROPERTY FORMERLY OF THE REDONDO LAND COMPANY, AS SUBDIVIDED BY JAMES E. TOWILL, C. A. EDWARDS AND P. P. WILCOX, COMMISSIONERS, SURVEYED AUGUST 1897 BY L. FRIEL, AND FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SEPTEMBER 30, 1897 AS RECORDER'S FILED MAP NO. 140;

(2) EXCEPTING THEREFROM THE WESTERLY 20 FEET THEREOF. AND THE SOUTHERLY 20 FEET THEREOF;

(3) ALSO EXCEPTING THEREFROM ALL THAT LAND DESCRIBED IN A DOCUMENT RECORDED FEBRUARY 22, 1988 AS INSTRUMENT 88-235400, OFFICIAL RECORDS OF SAID COUNTY (O.R. 88-235400), DESCRIBED AS FOLLOWS:

THE WESTERLY 1,027 FEET OF THE NORTHERLY 406 FEET OF SAID LOT 5 OF SECTION 20, MEASURED AT RIGHT ANGLES TO THE NORTHERLY LINE OF SAID LOT 5 TO A POINT ONE FOOT SOUTHERLY OF AN EXISTING CHAIN LINK FENCE PARALLEL WITH SAID NORTHERLY LINE, EXCEPTING FROM SAID LOT 5 THE WESTERLY 20 FEET THEREOF.

(4) ALSO EXCEPTING THEREFROM ALL LANDS WITHIN SAID LOT 5 SUBDIVIDED AS LOT 1, TRACT 50310, AS SHOWN IN MAP BOOK 1204, PAGE 51, OF SAID COUNTY;

ALSO EXCEPTING THEREFROM ALL LANDS WITHIN SAID LOT 5 SUBDIVIDED AS LOT 1, TRACT 49634, AS SHOWN IN MAP BOOK 1163, PAGES 66-67, OF SAID COUNTY;

(6) ALSO EXCEPTING THEREFROM SO MUCH OF SAID LOT 5, PRESENTLY OCCUPIED BY THE FEDERAL AVIATION ADMINISTRATION, AS LIES SOUTHERLY OF A LINE DRAWN FROM THE NORTHWESTERLY CORNER OF SAID LOT 1 OF TRACT 50310, SOUTH 89° 58' 09" WEST, 1042.22 FEET;

(7) AND SAID CERTAIN PARCEL OF LAND IS SUBJECT TO THAT CERTAIN TWENTY-FIVE YEAR EASEMENT FOR RIGHT-OF-WAY (R/W), NO. DACA09-2-90-361, EXPIRING NOT LATER THAN DECEMBER 25, 2014, GRANTED FROM THE DEPARTMENT OF THE AIR FORCE TO THE LOS ANGELES COUNTY TRANSPORTATION COMMISSION (NOW LOS ANGELES COUNTY METROPOLITAN TRANSIT AUTHORITY [MTA]), RECORDED FEBRUARY 6, 1990, AS INSTRUMENT 90-205045, OFFICIAL RECORDS OF SAID COUNTY (O.R. 90-205045), AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

(A) BEGINNING AT THE NORTHEASTERLY CORNER OF SAID LOT 5 AND OF THIS MTA R/W;

(B) THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID LOT 5, SOUTH $00^{\circ} 02' 13''$ EAST, 128.50 FEET, TO A SET LEAD AND TAG MARKED "LS 6179" IN THE TOP OF A THREE-FOOT HIGH, 8-INCH WIDE RETAINING WALL, AND MARKING THE SOUTHEASTERLY CORNER OF SAID MTA R/W;

(C) THENCE WESTERLY AND PARALLEL WITH THE NORTHERLY LINE OF SAID LOT 5, SOUTH $89^{\circ} 57' 44''$ WEST, 108.39 FEET TO A SET LEAD AND TAG MARKED "LS 6179" IN THE TOP OF A THREE-FOOT HIGH, 8-INCH WIDE RETAINING WALL;

(D) THENCE SOUTH $75^{\circ} 42' 44''$ WEST, 96.29 FEET TO A SET LEAD AND TAG MARKED "LS 6179" IN THE TOP OF A THREE-FOOT HIGH, 8-INCH WIDE RETAINING WALL, MARKING THE BEGINNING OF A TANGENT CURVE TO THE LEFT, CONCAVE SOUTHERLY, HAVING A RADIUS OF 90.00 FEET;

(E) THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $30^{\circ} 36' 38''$, AN ARC DISTANCE OF 48.08 FEET, MORE OR LESS, TO A SET LEAD AND TAG MARKED "LS 6179" IN THE TOP OF A THREE-FOOT HIGH, 8-INCH WIDE RETAINING WALL, MARKING A POINT OF TANGENCY;

(F) THENCE, TANGENT TO LAST-SAID CURVE, SOUTH $45^{\circ} 06' 06''$ WEST, 45.61 FEET TO A SET LEAD AND TAG MARKED "LS 6179" IN THE TOP OF A THREE-FOOT HIGH, 8-INCH WIDE RETAINING WALL, MARKING THE SOUTHWESTERLY CORNER OF SAID MTA R/W, BEING ALSO A POINT IN THE EASTERLY LINE OF THE AFORESAID LAND DESCRIBED IN SAID O.R. 88-235400;

(G) THENCE NORTHERLY ALONG SAID EASTERLY LINE, NORTH $00^{\circ} 03' 06''$ WEST, 207.81 FEET TO A POINT IN THE NORTHERLY LINE OF SAID LOT 5, BEING ALSO THE NORTHWESTERLY CORNER OF SAID MTA R/W;

(H) THENCE EASTERLY ALONG SAID NORTHERLY LINE, NORTH $89^{\circ} 57' 44''$ EAST, 275.43 FEET TO THE POINT OF BEGINNING;

(I) AND SAID EASEMENT FOR RIGHT-OF-WAY (MTA R/W) CONTAINS 0.92 OF AN ACRE OF LAND, MORE OR LESS, AS DETERMINED BY COMPUTER METHODS.

(8) AND SAID CERTAIN PARCEL OF LAND BEING AS SHOWN ON A SURVEY MADE BY KRISS A. LARSON, PLS NO. 6179, OF TOWILL, INC., TUSTIN, CA, IN JANUARY 2002, AND BEING MORE PARTICULARLY DESCRIBED FROM SAID SURVEY AS FOLLOWS:

(A) COMMENCING AT A FOUND LEAD AND TACK WITH FOUR 2.00-FOOT STRADDLES, PER L.A. COUNTY ROAD DEPARTMENT FIELD BOOK NO. 0717, PAGES 1156-1157, AT THE INTERSECTION OF THE CENTERLINES OF ROSECRANS AVENUE AND AVIATION BOULEVARD;

(B) THENCE SOUTHERLY ALONG THE CENTERLINE OF SAID AVIATION BOULEVARD, SOUTH 00° 03' 06" EAST, 1321.91 FEET, TO AN INTERSECTION WITH THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID LOT 5;

(C) THENCE NORTH 89° 57' 44" EAST, 40.00 FEET TO THE NORTHWESTERLY CORNER OF SAID LOT 5 (LESS THE WESTERLY 20 FEET THEREOF), BEING ALSO THE NORTHWESTERLY CORNER OF THAT LAND DESCRIBED IN O.R. 88-235400;

(D) THENCE EASTERLY ALONG THE NORTHERLY LINES OF SAID LOT 5 AND SAID LAND DESCRIBED IN O.R. 88-235400, CONTINUING NORTH 89° 57' 44" EAST, 1007.00 FEET TO THE TRUE POINT OF BEGINNING;

(E) THENCE EASTERLY ALONG THE NORTHERLY LINE OF SAID LOT 5, CONTINUING NORTH 89° 57' 44" EAST, 275.43 FEET, TO THE NORTHEASTERLY CORNER OF SAID LOT 5;

(F) THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID LOT 5, SOUTH 00° 02' 13" WEST, 128.50 FEET TO A SET LEAD AND TAG MARKED "LS 6179" IN THE TOP OF A THREE-FOOT HIGH, 8-INCH WIDE RETAINING WALL, MARKING THE SOUTHEASTERLY CORNER OF SAID MTA R/W;

(G) THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID LOT 5, CONTINUING SOUTH 00° 02' 13" EAST, 663.57 FEET, TO A 2-INCH DIAMETER IRON PIPE MARKING THE NORTHEASTERLY CORNER OF SAID LOT 1, TRACT 50310;

(H) THENCE WESTERLY ALONG THE NORTHERLY LINE OF SAID LOT 1, TRACT 50310, SOUTH 89° 58' 09" WEST, 240.00 FEET TO A SET LEAD AND TAG MARKED "LS. 6179" IN TOP OF A 3.2-FOOT HIGH, 9-INCH DIAMETER, CONCRETE-FILLED

GUARD POST MARKING THE NORTHWESTERLY CORNER OF SAID LOT 1, TRACT 50310, AND SAID POINT ALSO BEING THE EASTERLY END OF A LINE PARALLEL WITH AND 490.00 FEET NORTHERLY, MEASURED AT RIGHT ANGLES, FROM THE SOUTHERLY LINE OF SAID LOT 5 (LESS THE SOUTHERLY 20 FEET THEREOF);

(I) THENCE WESTERLY ALONG SAID PARALLEL LINE, BEING ALSO THE NORTHERLY LINE OF THAT PORTION OF SAID LOT 5 PRESENTLY OCCUPIED BY THE FEDERAL AVIATION ADMINISTRATION, SOUTH 89° 58' 09" WEST, 1042.22 FEET TO A POINT IN THE WESTERLY LINE OF SAID LOT 5 (LESS THE WESTERLY 20 FEET THEREOF);

(J) THENCE NORTHERLY ALONG THE WESTERLY LINE OF SAID LOT 5 (LESS THE WESTERLY 20 FEET THEREOF), NORTH 00° 03' 06" WEST, 385.91 FEET, TO A FOUND SPIKE AND WASHER MARKED "LS 3258", MARKING THE SOUTHWESTERLY CORNER OF THE LAND DESCRIBED IN O.R. 88-235400;

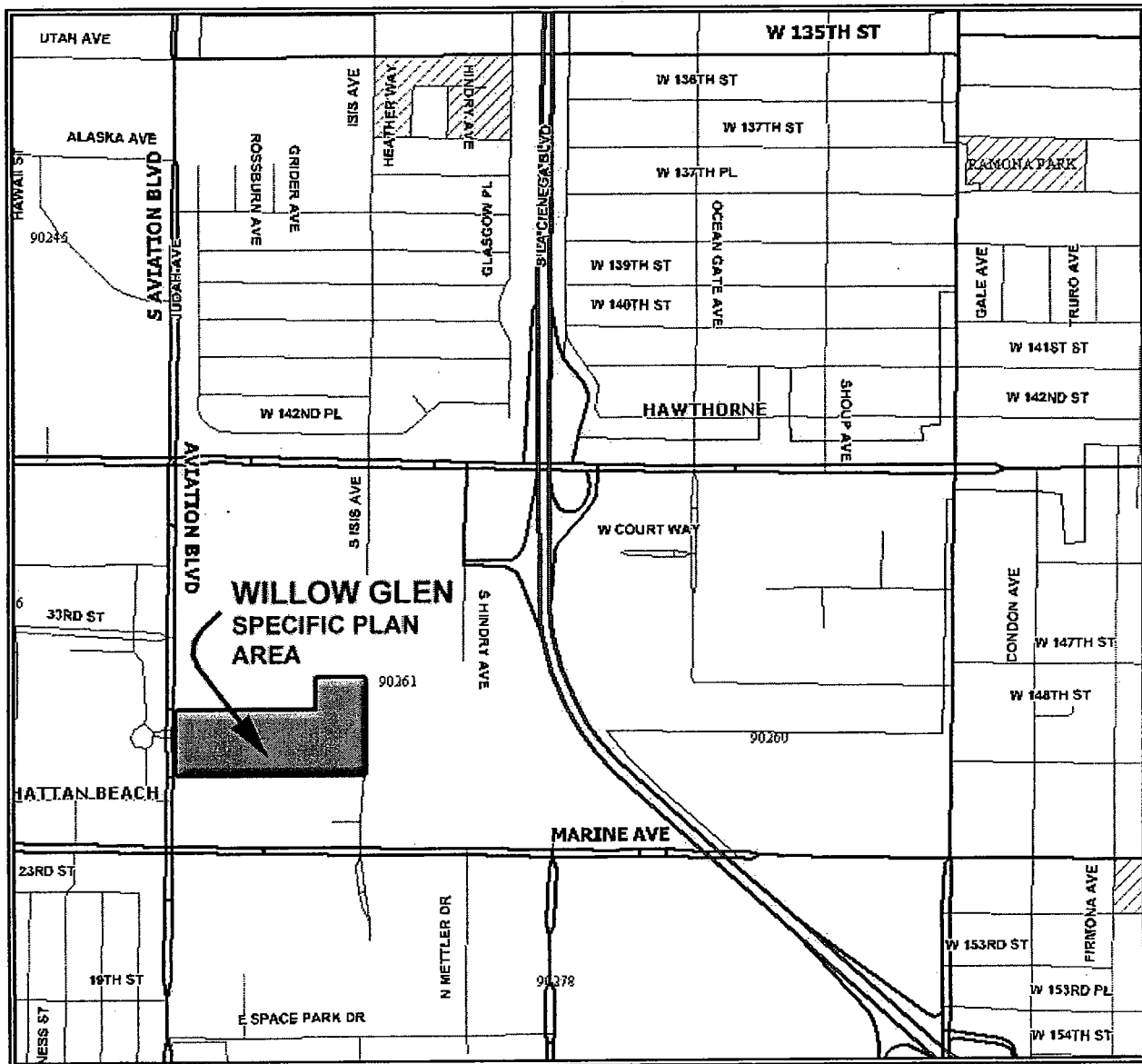
(K) THENCE EASTERLY ALONG A LINE PARALLEL WITH AND 406.00 FEET SOUTHERLY, MEASURED AT RIGHT ANGLES, FROM THE NORTHERLY LINE OF SAID LOT 5, NORTH 89°57' 44" EAST, 1007.00 FEET, TO A FOUND ONE-INCH DIAMETER IRON PIPE WITH TAG MARKED "LS 3258", DOWN 0.2 OF A FOOT, MARKING THE SOUTHEASTERLY CORNER OF THE LAND DESCRIBED IN SAID O.R. 88-235400;

(L) THENCE NORTHERLY ALONG THE EASTERLY LINE OF SAID LAND DESCRIBED IN O.R. 88-235400, NORTH 00° 03' 06" WEST 406.00 FEET, TO THE TRUE POINT OF BEGINNING;

AND SAID CERTAIN PARCEL OF LAND, LESS THE EXCEPTIONS NOTED ABOVE, CONTAINS 13.93 ACRES OF LAND, MORE OR LESS, AS DETERMINED BY COMPUTER METHODS;

AND SAID CERTAIN PARCEL OF LAND, LESS THE EXCEPTIONS NOTED ABOVE, AND LESS THE AREA OF SAID MTA EASEMENT FOR RIGHT-OF-WAY, CONTAINS 13.01 ACRES OF LAND, MORE OR LESS, AS DETERMINED BY COMPUTER METHODS.

EXHIBIT D
MAP OF AREA C SUBSET (WILLOW GLEN SPECIFIC PLAN)



LOS ANGELES COUNTY ECONOMIC DEVELOPMENT CORPORATION

The Center of Economic Development


LAEDC

Economic Vitality,
Trade & Jobs

Los Angeles Air Force Base Economic Impact

Summary

Jobs	Current	Projected
LAAFB - Direct	3,200	3,200
LAAFB - Indirect	1,367	1,367
LAAFB Contracts - Direct & Indirect	54,145	63,700
Aerospace Corp - Direct	3,384	3,384
Aerospace Corp - Indirect	3,259	3,259
Total	65,355	74,910

Wages

Estimated Total Payroll (All Workers)	\$3,326,000,000	\$3,803,000,000
---------------------------------------	------------------------	------------------------

Annual County Taxes (By Source)

Sales Taxes Share from Direct & Indirect Employee Spending

LAAFB	\$148,000	\$148,000
LAAFB Contracts	\$1,631,000	\$1,919,000
Aerospace Corp	\$225,000	\$225,000

Other Sales Taxes

Aerospace Corp. Purchases	\$23,000	\$23,000
---------------------------	----------	----------

Transportation Sales Taxes from Direct and Indirect Employee Spending

LAAFB	\$591,000	\$591,000
LAAFB Contracts	\$6,524,000	\$7,676,000
Aerospace Corp.	\$899,000	\$899,000

Other Transportation Sales Taxes

Aerospace Corp. Purchases	\$92,000	\$92,000
---------------------------	----------	----------

Property Tax

Aerospace Corp.	\$494,000	\$494,000
-----------------	-----------	-----------

Total	\$10,600,000	\$12,100,000
--------------	---------------------	---------------------

LAEDC Consulting Practice

June-03

Key Assumptions:

- LAAFB annual new contracts: \$8.5 billion (Current), \$10.0 billion (Projected)
- 70 percent of LAAFB contracts are awarded in L.A. County.
- Contracts and Aerospace Corp. would leave L.A. County if LAAFB were to leave.

Sources: Aerospace Corp.; LAAFB (preliminary estimates)



WORLD TRADE CENTER ASSOCIATION
LOS ANGELES - LONG BEACH

350 South Figueroa St., Suite 172
Los Angeles, California 90071 USA
t: 213.680.1888 f: 213.680.1878
info@wtcanet.org

One World Trade Center, Suite 295
Long Beach, California 90831 USA
t: 562.495.7070 f: 562.495.7071
info@wtcanet.org

LOS ANGELES COUNTY ECONOMIC DEVELOPMENT CORPORATION

The Center of Economic Development



LAEDC

*Economic Vitality,
Trade & Jobs*

Los Angeles Air Force Base Economic Impact

Summary - Continued

Annual Local Government (City) Taxes (By Source)

Sales Taxes Share from Direct & Indirect Employee Spending

LAAFB	\$591,000	\$591,000
LAAFB Contracts	\$6,524,000	\$7,676,000
Aerospace Corp	\$899,000	\$899,000

Other Sales Taxes

Aerospace Corp. Purchases	\$92,000	\$92,000
---------------------------	----------	----------

Other Taxes

El Sugundo Business License	\$474,000	\$474,000
Property Taxes (City Share)	\$470,000	\$470,000

Total	\$9,050,000	\$10,202,000
--------------	--------------------	---------------------

Annual State Taxes (By Source)

Sales Taxes Share from Direct & Indirect Employee Spending

LAAFB	\$3,544,000	\$3,544,000
LAAFB Contracts	\$39,147,000	\$46,055,000
Aerospace Corp	\$5,397,000	\$5,397,000

Other Sales Taxes

Aerospace Corp. Purchases	\$550,000	\$550,000
---------------------------	-----------	-----------

State Income Taxes

LAAFB	\$13,186,000	\$13,186,000
LAAFB Contracts	\$145,650,000	\$171,353,000
Aerospace Corp.	\$20,079,000	\$20,079,000

Total	\$227,600,000	\$260,200,000
--------------	----------------------	----------------------

LAEDC Consulting Practice

June-03

*Key Assumptions:

- LAAFB Annual New Contracts: \$8.5 Billion (Current), \$10.0 Billion (Projected)
- 70% Percent of LAAFB Contracts Awarded in L.A. County
- Contracts and Aerospace Corp. would leave L.A. County if LAAFB leaves.
- State total for L.A. County-based activity only. (Statewide total is higher.)

Sources: Aeorspace Corp.; LAAFB (preliminary estimates)

444 S. Flower St.

34th Floor

Los Angeles, CA

90071

t: 213.622.4300

f: 213.622.7100

www.laedc.org



WORLD TRADE CENTER ASSOCIATION
LOS ANGELES - LONG BEACH

350 South Figueroa St., Suite 172
Los Angeles, California 90071 USA
t: 213.680.1888 f: 213.680.1878
info@wtcanet.org

One World Trade Center, Suite 295
Long Beach, California 90831 USA
t: 562.495.7070 f: 562.495.7071
info@wtcanet.org